total transfer of Rs. 7,55,751.62 crore to the States over five year period between 2005-10. Government of India has agreed to implement these recommendations.

Government of India has not received any reaction from any State on the recommendations of the Commission until 28th February, 2005.

Implementation of VAT

*6. SHRISANJAYNIRUPAM:

SHRI RAJKUMAR DHOOT:

Will the Minister of FINANCE be pleased to state:

(a) whether VAT is going to be implemented in all the States; and

(b) if so, the details about the criteria being implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) In the meeting of the Empowered Committee of State Finance Ministers held on 18th June, 2004, States and Union Territories have arrived at broad consensus to introduce VAT w.e.f. 1st April, 2005. All Finance Ministers have affirmed their intention to introduce VAT w.e.f. 1st April, 2005, and a White Paper has also been released.

(b) The design of VAT to be implemented by States/UTs has been finalized by the Empowered Committee after due deliberations. The salient features of this design include uniform VAT rates across the States/UTs, input tax credit, zero-rating of exports, provision of self-assessment of tax by the dealers, threshold limit of upto rupees five lakhs of annual turnover for registration of dealers and provision for composition scheme for dealers having annual turnover upto rupees fifty lakhs.

Creation of a National Investment Fund out of the proceeds of disinvestment of PSUs

*7. SHRIMATISUKHBUNS KAUR:
SHRIMATIN. P. DURGA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to set up **a** National Investment Fund with a corpus consisting of the proceeds from disinvestments of PSUs;